

Full Year Financial Statement And Dividend Announcement for the Financial Ended 31 December 2018

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PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

- 1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group		
	FY 2018 S\$'000	FY 2017 S\$'000	Change %
Revenue	30,089	38,662	(22)
Cost of sales	(18,458)	(23,295)	(21)
Gross Profit	11,631	15,367	(24)
Other income	924	594	56
Interest income	13	9	44
Marketing and distribution expenses	(215)	(388)	(45)
Administrative expenses	(10,485)	(12,208)	(14)
Other operating expenses	(10,778)	(14,023)	(23)
Finance costs	(3,675)	(2,837)	30
Share of results of associates - net of tax	(15,409)	(1)	NM
Loss before tax	(27,994)	(13,487)	108
Income tax credit	47	246	(81)
Loss for the year	(27,947)	(13,241)	111
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation	187	(1,502)	NM
Net change in fair value reserve of available-for-sale financial assets	-	-	NM
Other comprehensive income for the year, net of tax	187	(1,502)	NM
Total comprehensive income for the year	(27,760)	(14,743)	88
Loss attributable to:			
Owners of the company			
- Loss after tax	(27,947)	(13,241)	111
	(27,947)	(13,241)	111
Total comprehensive income attributable to:			
Owners of the company			
- Loss after tax	(27,760)	(14,743)	88
	(27,760)	(14,743)	88

Note

Profit/(Loss) before tax is derived at after

Crediting/(charging) :

	The Group		
	FY 2018 S\$'000	FY 2017 S\$'000	Change %
Depreciation of property, plant and equipment	(2,102)	(2,229)	(6)
Amortisation of intangible assets	(19)	(22)	(14)
Gain on disposal of plant and equipment	3	8	(63)
(Loss)/Gain on foreign exchange	772	(1,825)	NM
Fair value gain of derivative on redeemable exchangeable bonds	-	174	(100)
Impairment loss on finance lease receivables	-	(688)	(100)
Impairment loss on trade receivables	(2,487)	(6,911)	(64)
Impairment loss on other receivables	-	(1,476)	(100)
Inventories written down	(6,211)	(756)	722
Net fair value gains on quoted equity investments	24	27	(10)
Gain on disposal of quoted equity investments	-	5	(100)
Impairment loss on quoted equity investments	-	(111)	NM

NM: Not meaningful

1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group S\$'000		The Company S\$'000	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
Equity attributable to equity holders of the company				
Share capital	102,605	102,605	102,605	102,605
Treasury shares	(528)	(528)	(528)	(528)
Reserves	(64,933)	(37,173)	(47,770)	(46,338)
Total equity	37,144	64,904	54,307	55,739
Non-current assets				
Property, plant and equipment	21,336	23,316	2	5
Investment in subsidiaries	-	-	65,348	65,348
Investment in associates	-	15,403	-	-
Quoted equity investments	20	166	20	166
Intangible assets	13,510	13,529	-	-
Deferred tax assets	6	20	-	-
	34,872	52,434	65,370	65,519
Current assets				
Inventories	26,348	24,885	-	-
Trade receivables	30,123	25,452	-	-
Contract assets	6,597	6,867	-	-
Prepayments	81	114	37	43
Other receivables and deposits	1,457	1,943	43	58
Finance lease receivables	-	12,385	-	-
Cash and cash equivalents	3,605	6,051	50	341
	68,211	77,697	130	442
Total assets	103,083	130,131	65,500	65,961
Current liabilities				
Trade payables	3,331	3,446	-	-
Contract liabilities	2,374	3,254	-	-
Other payables and accruals	24,392	21,694	733	498
Tax payable	5	5	-	-
Finance lease obligations	26	28	-	-
Term loans	16,718	17,548	160	1,333
Redeemable exchangeable bonds	7,081	6,303	-	-
Due to subsidiaries	-	-	10,299	8,274
	53,927	52,278	11,192	10,105
Non-current liabilities				
Term loans	10,798	11,634	-	117
Deferred tax liabilities	1,199	1,274	-	-
Finance lease obligations	15	41	-	-
	12,012	12,949	-	117
Total liabilities	65,939	65,227	11,192	10,222
Net assets	37,144	64,904	54,308	55,739

1 (b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 December 2018		As at 31 December 2017	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
23,825	-	23,879	-

Amount repayable after one year

As at 31 December 2018		As at 31 December 2017	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
10,813	-	11,675	-

Details of any collateral

The Group's borrowings are secured by the followings:

- a first legal mortgage on a subsidiary's leasehold property
- fixed and floating charge over the subsidiary's assets
- corporate guarantees

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group	
	FY 2018 S\$'000	FY 2017 S\$'000
Cash flows from operating activities:		
Loss before tax	(27,994)	(13,487)
Adjustments for:		
Amortisation of intangible assets	19	22
Net fair value gains on quoted equity investments	(24)	(27)
Depreciation of property, plant and equipment	2,102	2,229
Inventories written down	6,211	757
Fair value gains of derivative on redeemable exchangeable bonds	-	(174)
Impairment loss on finance lease receivables	-	688
Impairment loss on trade receivables	2,487	6,911
Gain on disposal of plant and equipment	(3)	(8)
Impairment loss on other receivables	-	1,476
Impairment loss on quoted equity investments	10	111
Interest expense	3,675	2,837
Interest income	(13)	(9)
Share of results of associates, net of tax	15,409	1
Gain on disposal of quoted equity investments	-	(5)
Unrealised exchange loss/(gain)	(633)	1,405
Operating profit before working capital changes	<u>1,246</u>	<u>2,726</u>
Changes in working capital:		
Inventories	4,711	(14,898)
Trade receivables	(7,005)	(6,118)
Due from customers for contracts work-in-progress	270	2,331
Other receivables, deposits and prepayments	519	554
Finance lease receivables	156	23,201
Trade payables	(243)	(887)
Due to customers for contracts work-in-progress	(880)	942
Other payables and accruals	2,655	(4,827)
Cash flows from operations	<u>1,429</u>	<u>3,024</u>
Interest received	13	8
Income taxes (paid)/refunded	(28)	15
Net cash flows from operating activities	<u>1,414</u>	<u>3,047</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(126)	(65)
Proceeds from disposal of plant and equipment	6	12
Net proceeds on disposal of quoted equities	160	27
Cash flows from/(used in) investing activities	<u>40</u>	<u>(26)</u>
Cash flows from financing activities		
Interest paid	(2,256)	(1,288)
Repayment of loans and borrowings	(2,467)	(6,961)
Proceeds from issuance of shares pursuant to rights issue	-	3,510
Share issuance expense	-	(300)
Purchase of treasury shares	-	(2)
Proceeds from loans and borrowings	750	3,450
Payment of finance lease obligations	(28)	(32)
Cash flows used in financing activities	<u>(4,001)</u>	<u>(1,623)</u>
Net (decrease)/increase in cash and cash equivalents	(2,547)	1,398
Effect of exchange rate changes on cash and cash equivalents	102	(41)
Cash and cash equivalents at beginning of year	<u>6,051</u>	<u>4,694</u>
Cash and cash equivalents at end of year	<u>3,605</u>	<u>6,051</u>

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding year.

	The Group					Total S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Translation reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	
Year ended 31 December 2017						
Balance as at 1 January 2017	97,844	(526)	1,802	522	(24,754)	74,888
Loss for the period	-	-	-	-	(13,241)	(13,241)
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	(1,502)	-	-	(1,502)
Other comprehensive income for the period, net of tax	-	-	(1,502)	-	-	(1,502)
Total comprehensive income for the period	-	-	(1,502)	-	(13,241)	(14,743)
<u>Contributions by and distribution to owners</u>						
Purchase of treasury shares	-	(2)	-	-	-	(2)
Share issuance expense	(301)	-	-	-	-	(301)
Issuance of shares	3,510	-	-	-	-	3,510
Issuance of shares pursuant to the exercise of redeemable exchangeable bond	1,552	-	-	-	-	1,552
Expiration of share options	-	-	-	(408)	408	-
Total transactions with owners in their capacity as owners	4,761	(2)	-	(408)	408	4,759
Balance as at 31 December 2017	102,605	(528)	300	114	(37,587)	64,904

	The Group					Total S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Translation reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	
Year ended 31 December 2018						
Balance as at 1 January 2018	102,605	(528)	300	114	(37,587)	64,904
Loss for the period	-	-	-	-	(27,947)	(27,947)
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	187	-	-	187
Other comprehensive income for the period, net of tax	-	-	187	-	-	187
Total comprehensive income for the period	-	-	187	-	(27,947)	(27,760)
<u>Contributions by and distribution to owners</u>						
Total transactions with owners in their capacity as owners	-	-	-	-	-	-
Balance as at 31 December 2018	102,605	(528)	487	114	(65,534)	37,144

	The Company				Total S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	
Year ended 31 December 2017					
Balance as at 1 January 2017	97,844	(526)	523	(41,285)	56,556
Loss for the period	-	-	-	(5,576)	(5,576)
Total comprehensive income for the period	-	-	-	(5,576)	(5,576)
<u>Contributions by and distribution to owners</u>					
Purchase of treasury shares	-	(2)	-	-	(2)
Share issuance expense	(301)	-	-	-	(301)
Issuance of shares pursuant to the exercise of redeemable exchangeable bond	1,552	-	-	-	1,552
Issuance of shares	3,510	-	-	-	3,510
Total transactions with owners in their capacity as owners	4,761	(2)	-	-	4,759
Balance as at 31 December 2017	102,605	(528)	523	(46,861)	55,739

	The Company				Total S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	
Year ended 31 December 2018					
Balance as at 1 January 2018	102,605	(528)	523	(46,861)	55,739
Loss for the period	-	-	-	(1,431)	(1,431)
<u>Other comprehensive income</u>					
Net change in fair value reserve of available-for-sale financial assets	-	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(1,431)	(1,431)
<u>Contributions by and distribution to owners</u>					
Total transactions with owners in their capacity as owners	-	-	-	-	-
Balance as at 31 December 2018	102,605	(528)	523	(48,292)	54,308

Save for the foregoing, there are no other (i) changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders.

- 1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buybacks, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in Company's share capital:

	Quantity	Share capital S\$'000
Balance as at 30 September 2018 and 31 December 2018	1,106,681,074	102,605

On 3 July 2017, the Company allotted and issued 194,982,219 new ordinary shares ("Rights Shares") at an issue price of S\$0.018 for each Rights Share and 97,491,109 free detachable warrants ("2017 Warrants") pursuant to a renounceable and non-underwritten rights cum warrants issue. Each 2017 Warrant carries the right to subscribe for two new ordinary share in the capital of the Company at an exercise price of S\$0.025 for each new ordinary share and is exercisable during a five year period from the date of issue.

The Company has nil outstanding warrants issued on 28 April 2013 ("2013 Warrants") as at 31 December 2018 (31 December 2017: 132,840,897), after the expiry on 25 April 2018. Each 2013 Warrant carried the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.138 for each new ordinary share and was exercisable during a five year period from the date of issue.

As at 31 December 2018, the total number of ordinary shares in issue was 1,106,681,074 of which 7,961,500 were held by the Company as treasury shares (31 December 2017: 1,106,681,074 ordinary shares and 7,961,500 treasury shares).

	As at 31 December 2018	As at 31 December 2017
No of Shares that may be issued upon conversion of all outstanding convertibles	194,982,218	327,823,115
There were no subsidiary holdings as at the end of the current financial year reported on.		

Save for the foregoing, there are no other changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since 30 June 2018.

- 1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.

	As at 31 December 2018		As at 31 December 2017	
	No. of shares	S\$'000	No. of shares	S\$'000
Total number of issued shares at the end of the financial year	1,106,681,074	102,605	862,792,553	97,844
Issuance of shares pursuant to the exercise of redeemable exchangeable bond	-	-	48,906,302	1,552
Issuance of shares	-	-	194,982,219	3,510
Share issuance expenses	-	-	-	(300)
Number of Treasury Shares at the end of the financial year	(7,961,500)	(528)	(7,961,500)	(528)
Net number of issued shares at the end of the financial year	<u>1,098,719,574</u>	<u>102,077</u>	<u>1,098,719,574</u>	<u>102,077</u>

- 1 (d) (iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

	No. of share	S\$'000
Balance as at 30 September 2018 and 31 December 2018	7,961,500	528

- 1 (d) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no subsidiary holdings as at the end of the current financial period reported on.

- 2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Group's auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as compared with the audited financial statements for the year ended 31 December 2017, except for those disclosed under Paragraph 5.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is equivalent to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as 'Singapore Financial Reporting Standards (International)' ("SFRS(I)") hereinafter. Subsequent to the last financial year end, as required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 January 2018 and issued its first set of financial information prepared under SFRS(I) for the financial period ended 31 December 2018. The adoption of new SFRS(I) did not result in substantial change to the Group's and Company's accounting policies and did not have material impact on the amounts reported for the current or prior financial years.

- 6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	FY 2018 cents	FY 2017 cents
Earnings per ordinary share		
(i) Based on the weighted average number of ordinary share on issue	(2.54)	(1.21)
(ii) On a fully diluted basis (detailing any adjustments made to the earnings)	(2.54)	(1.21)
Earnings per ordinary share from continuing operations		
(i) Based on the weighted average number of ordinary share on issue	(2.54)	(1.21)
(ii) On a fully diluted basis (detailing any adjustments made to the earnings)	(2.54)	(1.21)
Computed based on the following weighted average number of shares		
Basic	1,098,719,574	1,098,722,651
Diluted	1,098,719,574	1,098,722,651

As at 31 December 2018, Nil (31 December 2017: Nil) share options granted to employees under the existing employee share option plans and warrants of 97,491,109 (31 December 2017: 230,332,006), have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
(a) current financial year reported on; and
(b) immediately preceding financial year.

	Group		Company	
	S\$	S\$	S\$	S\$
	31.12.18	31.12.17	31.12.18	31.12.17
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	0.03	0.06	0.05	0.05

Footnote:

Net asset value per ordinary share is based on 1,098,719,574 ordinary shares as at 31 December 2018 (31 December 2017: 1,098,719,574 shares).

- 8 A review of the performance of the group to the extent necessary for a reasonable understanding of the business. It must include a discussion of the following:—**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Financial Performance

For the year 2018, the Group recognised Revenue of S\$30 million. The year-on-year decline was due to a lower order book carried forward, deferral of projects and lower new order intake for the year. Gross Profit also declined in tandem and proportionally with the lower Revenue.

Other Income increased as the Group posted unrealised foreign exchange gain for the year compared to the unrealised foreign exchange loss in 2017 due to the strengthening of the US Dollars against Singapore Dollars in 2018.

Administrative and Marketing expenses decreased largely due to the rightsizing of manpower and curtailed spending in response to the business level of the Group amidst the challenging market condition.

Other Operating Expenses consisted of mainly accounting adjustments on valuation of certain assets on the Balance Sheet. These material items and their accounting effects are as follows:

1. The impairment of the land drilling rigs amounting to S\$6.0 million represented the depreciation in value due to the ageing of the land drilling rigs and the continued weak market conditions in terms of the potential yield and disposable value. While the Group received a favourable arbitration award against the defaulted charterer, no contingent asset was recorded in the financial accounts, pending future realisation from actual recoveries.

2. The impairment of trade receivables from revenue recognised for the finance lease receivables during the year as a result of doubtful collection of chartering contract amounting to S\$2.5 million.

Share of results of associates, which represents the Group's 30% share of 2 associated companies, incurred loss of S\$15.4 million due to the impairment of assets in the associated companies. The associated companies each owned a newbuild contract for an offshore jack-up drilling rig with a Chinese shipyard. The Group opined that the valuations were no longer able to substantiate the carrying value of these assets in the balance sheet due to the low charter rates and disposable value of the rig asset from recent transactions in the market. This also explains the reduction in Investment in Associates in the statement of financial

Finance Cost increased as the Group continues to accrue for the interest and associated cost at the original contract terms, notwithstanding the Group is in continued negotiation with respective lenders on debt restructuring.

Considering the above factors, the Group recorded a Net Loss After Tax of \$27.9 million.

Financial Position

The Net Assets for the Group stood at \$37.1 million as at 31 December 2018. This is lower compared to that as at 31 December 2017 and attributed to the loss incurred for the year, primarily from the non-cash impairment charges recorded against assets as mentioned above.

The reduction in Non-Current Assets was mainly due to the disposal of quoted equity investments, depreciation of property, plant and equipment and impairment of investment in associates, as explained above.

The reclassification of land rig from finance lease receivables to inventories due to the expiry of a land rig charter contract led to the increase in Inventories and decrease in Finance Lease Receivables. The increase in Inventories was partially offset by the impairment of a land drilling rig as mentioned above. Other Receivables and deposits increased due to down payment made for new projects secured.

The increase in Trade Receivables was largely due to the amortisation and reduction of Finance Lease Receivables as the charter contract continued to be recognised until the expiry in 4Q 2018.

The reduction of Term Loan balance as at 31 December 2018 compared to that as at 31 December 2017 was due to the repayments made during the year. The increase in the Redeemable Exchangeable Bonds and non-bank borrowings were due to the accrual of interest during the year.

Trade Payables decreased due to payment made to suppliers for goods received or service rendered, coupled with lesser purchases due to lower business volume. Other payables and accruals increased largely due to the forex revaluation of the US Dollars denominated payables.

Cashflow

The net cash flows generated from operating activities were mainly due to the unwinding of finance lease receivables and billing of amounts due from contract customers after meeting the project milestones.

Net cash flows generated from investing activities were largely due to the disposal of quoted entities.

Cash flows used in financing activities were due to the repayment of loans during the year.

- 9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable

- 10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

While the oil prices are gradually trending upwards, recovery in the sector have been sporadic and outlook continued to be challenging. Customer inquiries continued to be met with significant price pressure as many competitors sought to outbid each other for the limited opportunities. The Group hopes to sustain its offshore and marine services through acquisition of new projects utilising the strong established track records it has built over the years.

In the asset management business, the current and potential yields remained economically not feasible for the Group to operate in. In this regard, the Group will be looking for opportunities to monetise its capital assets in order to improve its liquidity position, repay its debts and strengthen its working capital.

Cash and liquidity remained the primary priority focus for the Group. Specifically, the business outlook and sustainability for the Group hinges on our ability to successfully execute on the following major items:

1. The restructuring for the respective bonds and loans that are past due, which the Group continues to be in negotiation with the respective parties.

2. The continued support from the Group's principal bankers to support working capital requirements of its operating subsidiaries in the offshore and marine services. In view of the absence of additional banking facilities, the Group will have to seek new alternative source of working capital and project financing requirements.

3. The outcome of the enforcement of award against the charterer of the land rigs and and the legal defence against the owner of the chemical tanker. The Group has successfully obtained a favourable arbitration award in Singapore against the charterer of the land rigs and the award is currently with the Chinese court for enforcement. Additionally, the Group has appointed a Chinese local consultant to concurrently pursue the recovery of the award against the charterer. The legal suit defence against the owners of the chemical tanker is still in-progress, and the Group is concurrently in discussion with the owner to pursue an amicable settlement.

The Group continued to stake its claim against Keppel Singmarine ("Keppel") for outstanding receivables and variation orders, and at the same time defend counterclaims from Keppel. The court hearing is set on December 2019.

In addition to the above actions, the Group has been actively seeking strategic investors and in talks with them for fresh sources of funds. This will allow the Group to deleverage the balance sheet and improve the financial capacity of the Group.

- 11 Dividend**

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period report on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

- 12 If no dividend has been declared / recommended, a statement to that effect.**

Not applicable

- 13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained.

- 14 Use of proceeds from rights cum warrants issue**

As at 31 December 2018, all the net proceeds from the 2017 rights cum warrants issue have been fully utilised. The use of proceeds from the rights cum warrants issue is in accordance with the intended use.

- 15 Confirmation By Directors Pursuant to Rule 705(5) of the Listing Manual of SGX-ST**

The Board of Directors of the Company hereby confirms to the best of its knowledge nothing has come to its attention which may render the unaudited interim financial results for the forth quarter ended 31 December 2018 to be false or misleading in any material respect.

- 16 Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Offshore and Marine S\$'000	Corporate S\$'000	Assets chartering S\$'000	Adjustment & Elimination S\$'000	Group S\$'000
2018					
Revenue					
External customers	26,175	1,433	2,481	-	30,089
Inter-segment	-	1,260	-	(1,260)	-
Total revenue	26,175	2,693	2,481	(1,260)	30,089
Results:					
Interest income	13	-	-	-	13
Dividend income	-	-	-	-	-
Depreciation and amortisation	(378)	(1,270)	-	(473)	(2,121)
Share of associates results	-	-	-	-	-
Other non-cash expenses	(219)	4	(8,512)	(15,370)	(24,097)
Segment (loss)/profit	(1,669)	(1,523)	(24,219)	(583)	(27,994)
Assets					
Additions to non-current assets	124	2	-	-	126
Segment assets	53,967	93,274	54,022	(98,180)	103,083
Segment liabilities	(19,043)	(31,160)	(67,837)	52,101	(65,939)

	Offshore and Marine S\$'000	Corporate S\$'000	Assets chartering S\$'000	Adjustment & Elimination S\$'000	Group S\$'000
2017					
Revenue					
External customers	30,888	1,122	6,652	-	38,662
Inter-segment	5,425	2,149	-	(7,574)	-
Total revenue	36,313	3,271	6,652	(7,574)	38,662
Results:					
Interest income	80	1	11	(83)	9
Dividend income	-	-	-	-	-
Depreciation and amortisation	(484)	(1,290)	-	(477)	(2,251)
Share of associates results	-	-	(1)	-	(1)
Other non-cash expenses	(98)	(3,309)	(9,074)	2,540	(9,941)
Segment profit/(loss)	(2,656)	(5,134)	(8,403)	2,706	(13,487)
Assets					
Additions to non-current assets	48	17	-	-	65
Segment assets	55,620	94,198	74,143	(93,830)	130,131
Segment liabilities	(18,914)	(30,560)	(63,804)	48,051	(65,227)

Geographical Segment

	Revenue		Non-current assets	
	FY 2018 S\$'000	FY 2017 S\$'000	FY 2018 S\$'000	FY 2017 S\$'000
Europe	108	1,433	-	-
Indonesia	4,596	1,674	7	7
Malaysia	1,242	830	9	9
Middle East	582	254	-	-
People's Republic of China	4,871	9,933	107	107
Singapore	17,281	22,340	34,724	36,723
Others	1,409	2,198	-	-
	30,089	38,662	34,847	36,846

- 17 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Performance by Business Segments

Despite the reduction in revenue for the offshore and marine segment for the year, the net loss was halved due to better project execution and cost rationalisation.

The asset chartering segment posted a net loss for the year due to impairment of trade receivables, inventories and investment in associate due to the valuation of the assets.

Performance by Geographical Segments

The Group's revenue declined for all geographical segments in FY2018 in the oil and gas and offshore and marine industries with the exception of Indonesia, Malaysia and Middle East. The revenue decreased in Singapore due to lack of available contracts in Singapore and the consumption of remaining orders in hand. The Group continued to grow in emerging markets as evidence in the increase in revenue posted from Indonesia and Malaysia. The reduction in revenue in Europe was due to the revenue recognition of a land rig charter hire in the first quarter of FY2017 while none was recognised in FY2018.

During this downturn, the Group will continue to focus on growth in the emerging markets to diversify its customer base to sustain business volume.

18 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive offices in the format set out in Appendix 7H under Rule 720(1) of the Listing Manual.

19 A breakdown of sales

	FY 2018 S\$'000	The Group FY 2017 S\$'000	Change %
Sales reported for first half year	15,887	18,526	(14)
Operating (loss)/profit after tax from continuing operations before deducting non-controlling interests reported for first half year	(2,024)	(4,986)	(59)
Sales reported for second half year	14,202	20,136	(29)
Operating loss after tax from continuing operations before deducting non-controlling interests reported for second half year	(25,923)	(8,255)	214

20 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable

21 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lin Wei, Daniel	35	Son of Mr Andy Lim, Executive Director and Chairman, and substantial shareholder	Executive Director, Viking Offshore and Marine Limited, 2013 Director, Viking Asset Management Pte Ltd, 2013 Director, Promoter Hydraulics Pte. Ltd., 2013 Director, Viking Facilities Management & Operations Pte. Ltd., 2013 Director, Viking LR1 Pte. Ltd., 2014 Director, Viking LR2 Pte. Ltd., 2014	Ceased w.e.f. 22 February 2018 Ceased w.e.f. 1 November 2018 Ceased w.e.f. 1 November 2018 Ceased w.e.f. 23 February 2018 Ceased w.e.f. 1 November 2018 Ceased w.e.f. 1 November 2018

BY ORDER OF THE BOARD

MR ANDY LIM
CHAIRMAN AND EXECUTIVE DIRECTOR

MR LOW JOOI KOK
CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

1 March 2019
Singapore